

**NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)**  
**Act 451 of 1994**

**324.5405 Water suppliers; application for assistance; project plan.**

Sec. 5405. (1) A water supplier who is interested in applying for assistance under this part shall prepare and submit to the department a project plan as provided in this section. The department shall use project plans submitted under this section to develop a priority list for assistance as provided under this part.

(2) During the development of a project plan, a water supplier that is a municipality shall consider and utilize, where practicable, cooperative regional or intermunicipal projects, and a water supplier that is not a municipality shall consider and utilize, where practicable, connection to, or ownership by, a water supplier that is a municipality.

(3) The project plan for a project shall include documentation that demonstrates that the project is needed to assure maintenance of, or progress toward, compliance with the federal safe drinking water act. A complete project plan shall include all of the following as background:

(a) Identification of planning area boundaries and characteristics.

(b) A description of the existing waterworks systems.

(c) A description of the existing waterworks problems and needs, including the severity and extent of water supply problems or public health problems.

(d) An examination of projected needs for the next 20 years.

(e) Population projections and the source and basis for the population projections.

(4) A project plan shall include an analysis of alternatives, which shall consist of a systematic identification, screening, study, evaluation, and cost-effectiveness comparison of feasible technologies, processes, and techniques. The alternatives shall be capable of meeting the applicable state drinking water standards over the design life of the facility, while recognizing environmental and other nonmonetary considerations. The analysis shall include, but not be limited to, all of the following:

(a) A planning period for the cost-effectiveness analysis of 20 years or other such planning period as is justified by the unique characteristics of the project.

(b) Monetary costs that consider the present worth or equivalent annual value of all capital costs and operation and maintenance costs.

(c) Provisions for the ultimate disposal of residuals and sludge resulting from drinking water treatment processes.

(d) A synopsis of the environmental setting of the project and an analysis of the potential environmental and public health impacts of the various alternatives, as well as the identification of any significant environmental or public health benefits precluded by rejection of an alternative.

(e) Consideration of opportunities to make more efficient use of energy and resources.

(f) A description of the relationship between the service capacity of each waterworks systems alternative and the estimated future needs using population projections under subsection (3)(e).

(5) A project plan shall include a description of the selected alternative, including all of the following:

(a) Relevant design parameters.

(b) Estimated capital construction costs, operation and maintenance costs, and a description of the manner in which project costs will be financed.

(c) A demonstration of the water supplier's ability to repay the incurred debt, including an analysis of the impacts of the annual user costs for water supply on its users.

(d) A demonstration that the selected alternative is implementable considering the legal, institutional, technical, financial, and managerial resources of the water supplier.

(e) Assurance that there is sufficient waterworks system service capacity for the service area based on projected needs identified in subdivision (d) while avoiding the use of funds available under this part to finance the expansion of any public water system if a primary purpose of the expansion is to accommodate future development.

(f) Documentation of the project's consistency with the approved general plan prepared pursuant to section 4 of Act 399, MCL 325.1004.

(g) An analysis of the environmental and public health impacts of the selected alternative.

(h) Consideration of structural and nonstructural measures that could be taken to mitigate or eliminate adverse effects on the environment.

(6) A project plan shall describe the public participation activities conducted during planning and shall include all of the following:

(a) Significant issues raised by the public and any changes to the project that were made as a result of the public participation process.

(b) A demonstration that there were adequate opportunities for public consultation, participation, and input in the decision-making process during alternative selection.

(c) A demonstration that before the adoption of the project plan, the water supplier held a public hearing on the proposed project not less than 30 days after advertising in local media of general circulation and at a time and place conducive to maximizing public input.

(d) A demonstration that, concurrent with advertisement of the hearing, a notice of public hearing was sent to all affected local, state, and federal agencies and to any public or private parties that have expressed an interest in the proposed project.

(e) A transcript or recording of the hearing, a list of all attendees, any written testimony received, and the water supplier's responses to the issues raised.

(7) A project plan shall include either of the following, as appropriate:

(a) For a water supplier that is a municipality, a resolution adopted by the governing board of the municipality approving the project plan.

(b) For a water supplier that is not a municipality, a statement of intent to implement the project plan.

(8) A project plan shall not have as a primary purpose the construction of or expansion of a waterworks system to accommodate future development.

**History:** Add. 1997, Act 26, Imd. Eff. June 17, 1997.

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